

INSTRUCTIONS
for preparation of the
ANNUAL OPERATIONS PLAN
Fiscal Year 2005



**Constitutional Officers
and
Legislative and Judicial Branches**
DEPARTMENT OF FINANCE & ADMINISTRATION
OFFICE OF BUDGET

I N D E X

ANNUAL OPERATIONS PLAN

FOR FISCAL YEAR 2005

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ALL FORMS ARE AVAILABLE ON THE DFA - OFFICE OF BUDGET WEB SITE
www.accessarkansas.org/dfa/budget

GENERAL INSTRUCTIONS FOR PREPARATION OF THE ANNUAL OPERATIONS PLAN FOR FISCAL YEAR 2005

Arkansas Code Annotated §19-4-607 requires each state agency, other than the elected constitutional officers, the legislative branch and its staff offices, the judicial branch and its staff offices, the Arkansas State Highway and Transportation Department, the state-supported institutions of higher education and the Arkansas State Game and Fish Commission, to prepare an annual operations plan for the operation of each of its assigned programs for submission to the Chief Fiscal Officer of the State.

These instructions have been developed to assist the constitutional, legislative and judicial offices with preparation of the operations plan to the extent they choose to participate, and to provide guidance on the minimum requirements for preparing appropriations for inclusion in the Arkansas Administrative Statewide Information System (AASIS).

Minimum requirements are the Annual Funds Center Worksheet, Certification(s) of Income and the State Agency Publication Listing. Instructions on optional forms and reports are also included. These forms are due to the Department of Finance and Administration – Office of Budget by **May 14, 2004**.

Act 1022 of 2003 revises the annual fiscal process for all agencies funded from the State Central Services Fund and the Constitutional Officers Fund. Each agency should prepare an annual operations plan reflecting the estimated needs for fiscal year 2005. The agency budget cannot exceed the appropriations provided or the available funding. Each agency must submit to the Department of Finance and Administration – Office of Budget an estimate of the expenditures and commitments for the fiscal year for each appropriation. Once the estimated annual operations plan is submitted to the Office of Budget, the Chief Fiscal Officer of the State will determine the amount of funds available for the fiscal year in the State Central Services Fund. Should the amount of available funds be insufficient to meet the estimated expenditures and commitments, agencies will be contacted and must indicate where reductions will be made by commitment item.

It is critical that each agency meet the deadlines indicated in this instruction packet. Once the estimates are received, the Chief Fiscal Officer of the State will determine the final budget levels and notify the agencies of any budget reductions necessary. The Budget Analyst for your agency in the Office of Budget will assist you in any way necessary to ensure the submission of a final balanced budget for implementation on July 1, 2004.

These instructions and forms are available on the DFA - Office of Budget web site at:

www.accessarkansas.org/dfa/budget

The following laws require special attention when preparing the fiscal year 2005 Annual Operations Plan:

- A.C.A. §19-5-206 requires a 1.5% charge against certain agencies from cash funds as defined under A. C. A. §19-4-801.
- A.C.A. §25-16-903 through A.C.A. §25-16-905 provides authorization and restrictions regarding stipends and expense reimbursements for members of Boards and Commissions.
- A.C.A. §21-12-502 requires notification by agencies to the Legislative Council and to the DFA - Office of Personnel Management of plans to implement layoffs of state employees due to privatization of programs.
- A.C.A. §21-4-501 allows for the payment of accrued sick leave for retiring employees. While it is difficult to budget for this unknown event, agencies are cautioned about the fiscal impact of this legislation.
- A.C.A. §19-4-2201 requires Legislative Council or Joint Budget Committee review of certain discretionary grants awarded by state agencies.
- A.C.A. §24-2-701(C)(3) allows the Board of Trustees of the Arkansas Retirement System to establish employer contributions each year. The state employees retirement rate has been set at 11.09% for fiscal year 2005.

DEFINITIONS

- **ANNUAL OPERATIONS PLAN:** A program prepared by an agency containing the proposed expenditures and anticipated resources for the ensuing fiscal year as required by A.C.A. §19-4-607.
- **FUNDS CENTER:** An appropriation granted by the General Assembly to make expenditures and incur obligations, **IF FUNDS ARE AVAILABLE**, for specific purposes.
- **BLOCKED:** The portion of an appropriation, which cannot be budgeted by an agency due to insufficient revenue or other budgetary restraints. Also referred to as deferment.
- **CARRY FORWARD APPROPRIATION:** As permitted by law, specific appropriated amounts authorized to carry forward from one fiscal year to another to make expenditures and incur obligations, **IF FUNDS ARE AVAILABLE**, for specific purposes.

ANNUAL OPERATIONS PLAN

All agencies will utilize the Performance Budgeting and Accountability System (PBAS) to prepare their Annual Operations Plan. PBAS is an automated system designed to enable agencies to develop a budget according to the General Accounting and Budgetary Procedures Law. Agency personnel have been trained on the system and on the reports necessary to fulfill the requirements of the Annual Operations Plan. Agencies that do not have system access to PBAS will coordinate entry of their plan data with the Office of Budget Analyst assigned to assist the agency.

The Salary Projection process is a component of PBAS and is designed to allow agencies online flexibility for changing information relating to positions. Personal Services Matching is automatically calculated for corresponding salary data and posted to the correct cost element, cost center, funds center and fund.

NOTE: A.C.A §21-5-414 requires a monthly contribution to the State Employees Insurance program based on the number of positions budgeted within a funds center. The Personal Services Matching commitment item has been automated to calculate insurance amounts. Agencies are cautioned against changing this automated calculation as it could result in insufficient funding to pay insurance vouchers while remaining responsible for this obligation. The agency contribution for Fiscal Year 2005 will be \$280 per month for each budgeted position.

Reporting is also done through the Performance Budgeting and Accountability System. Agencies can view reports online or may generate paper copies of reports as required. One copy of the required budget reports routed to the Office of Budget, with other required documents, signifies completion of the Annual Operations Plan. The Office of Budget will review and approve final forms and forward the documents to the Office of Accounting for final processing. The AASIS Support Center has prepared tutorials for agencies to use to produce reports. Analysts in the Office of Budget are available to advise and assist as necessary.

Agencies that do not have system access to PBAS will coordinate budget development with the Budget Analyst that is assigned to the agency.

The final Annual Operations Plan will be copied (retracted) to the Arkansas Administrative Statewide Information System (AASIS) in a detail plan for Fiscal Year 2005 and integrated into the AASIS data for implementation of the FY05 budget.

PREPARATION OF QUARTERLY ALLOTMENTS

The Office of Budget will advise each agency of its General Revenue funding level. The agency determines the amount of any Special or Other Revenues to be received for the 2005 Fiscal Year and prepares quarterly budget allotments that correspond to availability of funding. Quarterly Allotments must be based on the financial requirements for the agency's spending for the fiscal year and may not exceed available funding. **Budgeted amounts may not exceed anticipated revenues as indicated on the Certification of Income Form. Completion of Certification of Income Forms is required for all budgeted appropriations, including General Revenue funded appropriations.** Further, Certifications of Income must include funding for "estimated" Carry Forward balances of appropriation as may be authorized by law.

ADMINISTRATION OF ANNUAL OPERATIONS PLAN

Any time during the fiscal year that changes to the Annual Operations Plan result in an increase or decrease in the appropriation and/or funding allocated for expenditure, corresponding adjustments to the Annual Operations Plan must be made in the detail plan in AASIS. Revised Certifications of Income must be submitted as changes occur to accurately reflect income and operating budget totals.

ADMINISTRATION OF PAY PLAN

The Regular Salaries and Personal Services Matching budget should be based on the Salary Projection Report. Report totals should correspond to monthly amounts in PBAS.

Funding of the pay plan, Career Service Recognition Payments and the Career Ladder Incentive Program (CLIP) will be provided first through salary savings within an agency or through resource reallocations within an agency. Additional State Central Services funding may be provided in the fourth quarter of the fiscal year for implementation of CLIP only upon proper documentation being provided to the Office of Budget.

If agencies require additional appropriation to implement these payments, or for other personnel related actions, the Request for Salary/Personal Services Matching form must be submitted.

REQUIRED DOCUMENTS

The following original forms with signatures must be submitted with the Annual Fiscal Program:

- Certification(s) of Income (Report printed from PBAS and signed)
- Budget Classification Transfers (If applicable)
- Fiscal Monitoring Procedures (Report printed from PBAS and signed)

The following forms must also be submitted with the Annual Operations Plan. These forms do not require signatures.

- Annual Funds Center Worksheet
- Request for additional Salary/Personal Services Appropriation (If applicable)
- State Agency Publications (Report printed from PBAS)

The following final reports may be submitted with the Annual Operations Plan:

- Annual Salary Projection
- Career Service Projection
- Annual Commitment Item Summary
- Annual Funds Center Totals by Cost Center
- Annual Funds Center Worksheet
- Annual Quarterly Worksheet

SUGGESTION: Prior to making changes in PBAS to positions and operating data, print out the Salary Projection, Career Service and Annual Funds Center Total by Cost Center/WBS Element reports. Mark-up these reports with any changes that need to be made and then log-on to PBAS and enter the changes. The Funds Center Worksheet report can be viewed online or printed to compare authorized vs plan at the commitment item level. Agencies that do not have system access to PBAS will coordinate entry of their plan data with the Office of Budget Analyst assigned to assist the agency.

SALARY BUDGETS

The Annual Salary Projection Report is provided by the Office of Budget to assist agencies in budgeting salary dollars for Fiscal Year 2005. The final version of this report must be returned to the Office of Budget with the Annual Operations Plan.

The Annual Salary Projection Report is in accordance with the pay plan implementation policy of the Chief Fiscal Officer of the State (A.C.A. §21-5-202 et. seq.). The following conditions are reflected in the Report:

- This report is based on payroll information as of March 29, 2004 for positions authorized for Fiscal Year 2005. The report reflects the pay schedule contained in Act 22 of the 1st Extraordinary Session of 2003.
- The graduated pay plan increase effective July 1, 2004 has been provided for classified positions based on Act 22.
- Salaries for non-classified positions reflect the maximum amount in the agency's 2003 appropriation act.
- The salary for vacant classified positions is calculated at Pay Level 1 of the Fiscal Year 2005 pay schedule in Act 22. Vacant unclassified positions reflect the maximum amount in the agency's 2003 appropriation act.
- The graduated pay plan increase cannot result in a salary exceeding Pay Level 4 as provided in Act 22. However, amounts above Level 4 will be paid as a lump sum at the end of the FY05 fiscal year in accordance with provisions of Act 22. These lump sum payments are not included in the Annual Salary Projection Report but can be added to the PBAS Non Position Planning Screen by using cost element 5010002020.
- Used Class Code reflects the Class/Grade that the employee is currently being paid. Authorized Class Code and Pay Grade is the Class/Grade cited in the Agency's 2003 Appropriation Act or in the Uniform Classification and Compensation Act (Act 923 of 2003).
- Maximum Hourly Rate is the employee's hourly rate of pay as of March 29, 2004. New Hourly Rate is the hourly rate of pay the employee will be eligible for on July 1, 2004.
- Positions that are designated as Career Ladder Incentive Program (CLIP) positions are reflected with YES in the CLIP field. No adjustments have been made to salary levels for CLIP positions.
- Certain positions are eligible for Career Ladder Incentive Program Bonus Awards up to 8.0% of salary in accordance with A.C.A §21-5-1101, as amended. At the end of each fiscal year, the bonus percentage is determined by the Chief Fiscal Officer of the State. CLIP Bonus payments are not reflected in the Annual Salary Projection Report.

Funding for positions affected through the CLIP Program is to be provided through salary savings and/or reallocation of resources. **Only after both of these resources are exhausted will consideration for funding from the Merit Adjustment Fund (for General Revenue Funds only) be reviewed by the Department of Finance and Administration - Office of Budget. Salary budgets prepared for Fiscal Year 2005 should not anticipate receiving Merit Adjustment Funds for implementation of the CLIP Program until such time as salary savings can be determined in the fourth quarter of the fiscal year.**

- Extra Help positions are not included in the Annual Salary Projection Report.

CAREER SERVICE RECOGNITION PAYMENTS

State Employees with more than ten (10) years service in State Government are eligible for a Career Service Recognition Payment as authorized by A.C.A. §21-5-106, up to a maximum of \$600.00 for more than twenty-five (25) years service.

The cost of Career Service Recognition Payments has not been included in the Annual Salary Projection Report. However, the Office of Budget has produced a separate Career Service Report. This report is in accordance with the career service implementation policy of the Chief Fiscal Officer of the State (A.C.A. §21-5-106). This report will be produced before salaries are distributed and will reflect the career service payment amount in the month it is due. When Regular Salaries are distributed, the Career Service amounts are also distributed. **The Career Service amount has been loaded in Commitment Item 5010000 (Regular Salaries) and Cost Element 5010001010. Corresponding matching amounts have been calculated for Career Service payments.**

REQUEST FOR ADDITIONAL SALARY AND/OR PERSONAL SERVICES APPROPRIATION

Act 50 of the 1st Extraordinary Session of 2003 provides supplemental appropriation for state agencies for Career Service Recognition Payments. Agencies may request additional appropriation for Career Service Recognition Payments for Regular Salaries and Personal Services Matching line items as evidenced by their Annual Operations Plan.

Act 50 of the 1st Extraordinary Session of 2003 provides supplemental appropriation to address unforeseen appropriation needs of state agencies in administering the personnel actions of the 84th General Assembly. Agencies will use the Request for Salary and Personal Services Matching Appropriation to request additional appropriation for Regular Salaries and Personal Services Matching line items for these and other applicable items.

NOTE: Generally, the additional appropriation authorized by the above provisions will not be transferred to “current” allotment until the 4th Quarter and then only after appropriation resulting from salary and match savings has been evaluated to determine actual needs.

**REQUEST FOR SALARY and/or
PERSONAL SERVICES MATCHING APPROPRIATION
Fiscal Year 2005**

Agency _____

| <u>Fund</u> | <u>Funds Center</u> | <u>Commitment Item</u> | <u>Additional Appropriation</u> |
|-------------|---------------------|------------------------|-------------------------------------|
|-------------|---------------------|------------------------|-------------------------------------|

Reason for requested increase:

Revised 4/04

Agency No. _____

ANNUAL OPERATIONS PLAN CHECKLIST FISCAL YEAR 2005

IMPORTANT DATES:

| | |
|----------------|---------------------------------------------------------------------------------------------------------------|
| March 29, 2004 | Personnel information extracted from AASIS |
| April 12, 2004 | Annual Operations Plan Packets distributed to Agencies |
| May 14, 2004 | Final Annual Operations Plan due to the Office of Budget |
| May 17, 2004 | PEER Items submitted to the Office of Budget for presentation to the June PEER meeting of Legislative Council |
| July 1, 2004 | Start of Fiscal Year 2005 |

AGENCY ANNUAL OPERATIONS PLAN COMPONENTS: (Required)

- Annual Funds Center Worksheet
- Certification of Income Reports (Requires signature) for all funds centers including those funded by general revenue, equal to or greater than the Annual Operations Plan budget (including certification for funds centers with Carry Forward Authority)
- Budget Classification Transfer forms needed to bring appropriation up to budgeted levels (If applicable)
- Forms requesting additional Salary and/or Personal Services Matching appropriation (If applicable)
- Agency Publication Listing Report

AGENCY ANNUAL OPERATIONS PLAN COMPONENTS: (Optional)

- Salary Projection Report
- Career Service Projection Report
- Annual Quarterly Worksheet
- Annual Funds Center Totals by Cost Center
- Annual Commitment Item Summary

SALARY PROJECTION REPORT:

- Total number of budgeted positions does not exceed authorized.
- Total number of budgeted positions is reflected in insurance amounts.
- Budgeted amounts (Cost Element 5010001000) correspond to Salary Projection totals.
- Career Service Recognition Payments are budgeted separately (Cost element 5010001010).
- Lump Sum Payments may be budgeted separately (Cost element 5010002020).
- Total salary budget is within funding guidelines.

INSTRUCTIONS FOR COMPLETING THE ANNUAL QUARTERLY WORKSHEET

The Annual Quarterly Worksheet will be produced automatically by the PBAS, and all totals from the system will post by quarter to the Funds Center/Fund/Commitment Item in which a budget was entered. If required, adjustments will be made through the Agency Validation process by the Office of Budget.

(For Example: If the Agency requests a Budget Classification Transfer from Operating Expenses to Capital Outlay, the detail budget would reflect the budget as if the transfer was approved. These amounts post upward to the Annual Quarterly Worksheet. This transfer causes the budget to exceed the authorized appropriation for Capital Outlay. Through the Agency Validation process, the amount for Capital Outlay would be reduced to the authorized amount.)

The following page is an example of an Annual Quarterly Worksheet report produced from PBAS.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM**Annual Quarterly Worksheet**

Fiscal Year 2005
 Business Area Title OFFICE OF THE ATTORNEY GENERAL
 Business Area Code 0053
 Funds Center Title AG-Administration
 Funds Center Code 004
 Commitment Item Title Regular Salaries
 Commitment Item Code 5010000
 Version 1A

| Fund Center | | Commitment Item | | Total | Authorized | Blocked |
|-------------|-------------------|-----------------|------------------|--------------|--------------|----------|
| 004 | AG-Administration | 5010000 | Regular Salaries | 6,243,682.00 | 6,147,954.00 | 1,886.00 |

| Fund | Fund Title | 1st Qtr Allotment | 2nd Qtr Allotment | 3rd Qtr Allotment | 4th Qtr Allotment | Total Allotment |
|---------|----------------------|---------------------|-------------------|-------------------|-------------------|---------------------|
| HSC5300 | HSC-Attorney General | 6,243,682.00 | 0.00 | 0.00 | 0.00 | 6,243,682.00 |
| | Grand Total | 6,243,682.00 | 0.00 | 0.00 | 0.00 | 6,243,682.00 |

INSTRUCTIONS FOR COMPLETING THE ANNUAL FUNDS CENTER WORKSHEET

The Annual Funds Center Worksheet is a summary of authorized appropriation amounts, blocked amounts and budget by Commitment Item for each funds center authorized for an agency. If an agency allocates its appropriation, the quarterly totals will equal those amounts entered on the Annual Quarterly Worksheet through an automatic posting to the Annual Funds Center Worksheet. **EVEN THOUGH THIS PROCESS IS AUTOMATED, AGENCIES ARE ENCOURAGED TO CHECK ALL AMOUNTS FOR ACCURACY.**

QUARTERLY ALLOTMENT - This is the budget by Commitment Item needed to meet quarterly requirements. The purchase of capital items should be scheduled for the quarter following the greatest revenue collection. Agencies supported by General Revenues should budget capital expenditures during the fourth quarter. Also, agencies using commitments should allot funds in the quarter that the commitment is made instead of the quarter of actual expenditure.

The sum of the quarterly allotments by Commitment Item, plus the blocked amount, will equal the total Commitment Item amount authorized. **All cash and federal appropriations will be budgeted in the first quarter.**

BLOCKED – This amount will automatically calculate by Commitment Item the amount of appropriation not budgeted for FY05.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

Funds Center Worksheet

Fiscal Year 2005
 Business Area Title OFFICE OF THE ATTORNEY GENERAL
 Business Area 0053
 Funds Center Title AG-Administration
 Funds Center Code 004
 Fund Title HSC-Attorney General
 Fund HSC5300
 Version 1A

| Authorization | Commitment Item | Authorized | Blocked | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Total |
|---------------|----------------------------------|----------------------|------------------|----------------------|-------------|-------------|-------------|----------------------|
| Act 946 OF 03 | Regular Salaries 5010000 | 6,147,954.00 | 1,886.00 | 6,243,682.00 | 0.00 | 0.00 | 0.00 | 6,243,682.00 |
| | Extra Help 5010001 | 19,336.00 | 8,936.00 | 10,400.00 | 0.00 | 0.00 | 0.00 | 10,400.00 |
| | Personal Serv Match 5010003 | 1,529,392.00 | 15.00 | 1,529,377.00 | 0.00 | 0.00 | 0.00 | 1,529,377.00 |
| | Operating Expenses 5020002 | 1,456,924.00 | 0.00 | 1,456,924.00 | 0.00 | 0.00 | 0.00 | 1,456,924.00 |
| | Travel-Conferences 5050009 | 87,970.00 | 0.00 | 87,970.00 | 0.00 | 0.00 | 0.00 | 87,970.00 |
| | Prof. Fees & Serv. 5060010 | 166,500.00 | 0.00 | 166,500.00 | 0.00 | 0.00 | 0.00 | 166,500.00 |
| | Data Processing 5090012 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Capital Outlay 5120011 | 131,000.00 | 0.00 | 131,000.00 | 0.00 | 0.00 | 0.00 | 131,000.00 |
| | Reapportionment Expenses 5900046 | 495,000.00 | 0.00 | 495,000.00 | 0.00 | 0.00 | 0.00 | 495,000.00 |
| | Total | 10,034,076.00 | 10,837.00 | 10,120,853.00 | 0.00 | 0.00 | 0.00 | 10,120,853.00 |

CERTIFICATION OF INCOME

The Office of Budget maintains a record of certified funding sources for agency appropriations. Agencies must submit a Certification of Income Report (example attached) for appropriations funded from all sources **including General Revenue**. This certification is used as the basis for preparation of the Annual Operations Plan, with appropriation budgeted only if there is sufficient revenue anticipated to fund expenditures.

The Certification of Income Form includes language that indicates the significance of the information provided by the Agency. **The Operating Budget Total box on the Form reflects the actual operating budget for each corresponding funds center so that funding equals or exceeds the Annual Operations Plan budgeted amounts.** Any changes made to funding or available appropriation subsequent to the original Annual Operations Plan **requires** submission of a revised Certification of Income form to insure deficit spending does not occur. **Appropriations must remain blocked to the extent they exceed certified income and/or available revenue.**

The initial Certification of Income Form has been automated in PBAS. Agencies that do not have system access to PBAS will coordinate entry of estimated amounts of income with the Office of Budget Analyst assigned to assist the agency. Agencies must print the report from PBAS, sign and submit with Annual Operations Plan.

CARRY FORWARD AUTHORITY

Where law permits, estimated funding to be carried forward on June 30 to the new fiscal year and included in the Annual Operations Plan must be included in Certifications of Income. The actual Carry Forward amounts will be verified by the Office of Budget and processed during the first week of the new Fiscal Year. The Agency **must** submit amended Certifications of Income to reflect the actual amount of carry forward funding as soon as possible after the beginning of the fiscal year.

FISCAL YEAR REVISIONS

Agencies may revise Certifications of Income at any time during the fiscal year to facilitate program commitments or increase/decrease revenue projections and resulting financial obligations of the agency. Revisions require corresponding adjustment to the organizational budget recorded in the Arkansas Administrative Statewide Information System (AASIS). **The Agency Director and Agency Fiscal Officer are responsible for the amounts budgeted and certified and therefore, are required to sign all Certification of Income Forms. Certification of Income Forms for revisions during the fiscal year can be obtained from the Office of Budget website.**

CERTIFICATION OF INCOME

2005 FISCAL YEAR

BUSINESS AREA 0053 OFFICE OF THE ATTORNEY GENERAL
FUNDS CENTER TITLE 004 AG-Administration
FUND TITLE HSC HSC-Attorney General

We have reviewed and certify that our agency expects to receive the anticipated revenues reflected herein to fund this appropriation. The agency will monitor these funds during the course of the year and if at any time it appears that these funds will not be received or additional funds become available, we will file an amended form and make appropriate budgetary adjustments.

In the following section Please detail by funding source the revenue components your agency expects to receive. If there are multiple sources for any category, please attach a worksheet that details each separate revenue source.

| Funding Sources | Description | Estimated Amount |
|-------------------------------|-----------------------------|-------------------------|
| Fund Balance | | |
| Special Revenues | | |
| Federal Revenues | | |
| Revolving Funds | | |
| Cash Funds | | |
| General Revenue(*) | | |
| Merit Adjustment(**) | | |
| Other | State Central Services Fund | 10,250,000 |
| Total Funding | | 10,250,000 |
| Annual Operations Plan | | 10,120,853 |

19-1-611. Civil penalty. If the public officer or employee is found by the court to have knowingly violated the fiscal responsibility and management laws, the court shall impose a civil penalty upon the public officer or employee of not less than one hundred dollars (\$100), nor more than one thousand dollars (\$1,000), for each violation, and may subject the public officer or employee to the payment of damages resulting as a direct consequence of any violation.

| | |
|------------------------------|-------------|
| AGENCY FISCAL OFFICER | DATE |
| AGENCY DIRECTOR | DATE |

(*)General Revenue Funding in accordance with the Official Revenue Forecast of Net Available General Revenue for Distribution

(**)Merit Adjustment Funding will be Available in 4th quarter only if salary savings are insufficient to cover allocations

BUDGET CLASSIFICATION TRANSFERS

The Maintenance and General Operation (M&O) line item is divided into five (5) classifications as discussed below. A.C.A. §19-4-522 allows transfers between certain classifications within Maintenance and General Operation. Agencies may request a modification in the various M&O characters as long as the total authorized appropriation is not exceeded. **However, no transfer shall be made from Capital Outlay or Data Processing unless specific authority for such transfer is provided by law.**

Agencies are required to submit transfer requests to the Legislative PEER Committee for review when EACH Maintenance and General Operation commitment item (character) is affected by the 5% or \$2,500 transfer limit within a fiscal year. The Office of Budget will assist agencies in determining if a Budget Classification Transfer must be reviewed by the PEER Committee. **A THOUGHTFUL AND CAREFUL REVIEW OF THE AGENCY'S NEEDS DURING DEVELOPMENT OF THE ANNUAL OPERATIONS PLAN SHOULD MINIMIZE THE NEED FOR SUBMITTING TRANSFER REQUESTS DURING THE 2005 FISCAL YEAR.** However, if a transfer is needed anytime after July 1, 2004, contact the Office of Budget at 682-1941 to determine the monthly deadline for submitting requests for PEER Committee consideration.

The following briefly identifies some restrictions for the various Classifications:

- **OPERATING EXPENSE:** (Commitment Item 502:00:02) Includes postage, telephone, printing, motor vehicle expenses, repairs, maintenance contracts, utilities, insurance, supplies, equipment not capitalized, travel, subsistence, meals, lodging, transportation of State employees, officials, and non-state employees traveling on official business. **All costs associated with meetings and travel for board members or commissioners of State Boards and Commissions should be budgeted from this classification.**
- **CONFERENCE FEES AND TRAVEL:** (Commitment Item 505:00:09) This classification is limited to the costs of an employee attending a conference, seminar or training program. All costs of State hosted or sponsored conferences, seminars and training programs are paid from the Conference Fees and Travel classification.
- **PROFESSIONAL FEES AND SERVICES:** (Commitment Item 506:00:10). All Professional Services, regardless of dollar amount, should be budgeted in and paid from the Professional Fees and Services classification. Honorarium costs are included in this classification.
- **CAPITAL OUTLAY:** (Commitment Item 512:00:11). This classification includes purchase of land, buildings, equipment, furniture, fixtures, and contractual agreements that are capitalized. **All capital leases should be budgeted under Capital Outlay. If current leases are determined to be capital leases, the property should be capitalized and placed in inventory and tagged immediately.**

- **DATA PROCESSING:** (*Services only*) - (Commitment Item 509:00:12). The Data Processing classification is used for the purchase of Data Processing services from the Department of Information Systems, or others. Programming, systems analysis work, data entry, and processing charges should be included in this classification.

Agencies should contact the DFA - Office of Accounting, 682-1675, for questions relating to classification of expenditures.

If an agency determines a **Budget Classification Transfer** is required for the completion of the Fiscal Year 2005 Annual Operations Plan, the computer generated Detail Budget should be completed as the agency intends to expend the funds. (The Detail Budget should reflect the effect of the BCT. However, the Agency Validation should be reduced by a corresponding amount pending approval of the Chief Fiscal Officer of the State and review by the Legislative Council.) The Budget Classification Transfer (AASIS 015) form must be sent to the Office of Budget with the Annual Operations Plan to balance the Detail Budget to amounts on the Agency Validation layout when final submission is complete.

The Actual Expenditures column on the BCT Form should be completed for each commitment item for which there were expenditures in Fiscal Year 2004. For BCT requests submitted with the Annual Operations Plan prior to June 30, 2004, use year-to-date total expenditures through April 30, 2004. For BCT requests submitted after July 1, 2004, use June 30, 2004 final expenditures.

Please contact your Budget Analyst at 682-1941 for additional information or assistance. Form can be downloaded from Office of Budget website (example attached).

ARKANSAS ADMINISTRATION STATEWIDE INFORMATION SYSTEM
REQUEST FOR BUDGET CLASSIFICATION TRANSFERS
AASIS 015

Business Area: _____ Business Area Title: _____
 Funds Center: _____ Funds Center Title: _____
 Fund Code: _____ Fund Title: _____
 Functional Area: _____

| ACTUAL EXPENDITURES FY _____ | FROM | | | | TO | | |
|-------------------------------------|-------|-------|--------|--------|-------|-------|--------|
| | CI | FUND | PERIOD | AMOUNT | CI | FUND | PERIOD |
| 502:00:02 Operating Expense _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 505:00:09 Conf. Fees & Travel _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 506:00:10 Prof. Fees & Serv. _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 512:00:11 Capital Outlay _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 509:00:12 Data Processing _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |

REASON FOR TRANSFER: _____

 AGENCY APPROVAL

 BUDGET APPROVAL

 OIT APPROVAL (if applicable**)

B = Blocked

*Transfers may not be made from Commitment item 512:00:11 and 509:00:12 to other Maintenance & Operation Characters (A.C.A. 19-4-522(C)(1))

**Transfers requested for purchase of information technology related items must be in compliance with Technology Plans submitted to OIT.

STATE AGENCY PUBLICATIONS LISTING

A.C.A §25-1-204 requires a reduction in unsolicited publications published and distributed by State agencies. Each agency is required to submit with each annual budget request, a list of state publications, which are required by statutory law and provide the reason(s) for continuation and distribution of the required reports. An example of the form is attached. **The State Agency Publications Form (example attached) has been automated in PBAS. Agencies that do not have system access to PBAS will coordinate entry of the agency's publications with the Office of Budget Analyst assigned to assist the agency. Agencies must print the report from PBAS and submit with Annual Operations Plan.**

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
STATE AGENCY PUBLICATIONS
Fiscal Year 2004 - 2005
Required by A.C.A. 25-1-204

AGENCY 0610 DFA - MANAGEMENT SERVICES

| Name of Publication | Statutory Authorization | Required for | | # of Copies Published | Reason(s) for Continued Publication and Distribution |
|---------------------------------------|-------------------------|--------------|------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------|
| | | Governor | General Assembly | | |
| Annual Budget Instruction Packet | None | No | No | 275 | Assist State Agencies in the preparation of annual operations plan. |
| Biennial Budget Instruction Packet | A.C.A. 19-4-304 | No | No | 275 | Provide information and assistance to state agencies in the preparation of biennial budget requests. |
| Biennial Budget Manuals | A.C.A. 19-4-305 | Yes | No | 2,371 | Compile agency requests and Governor's recommendations for Legislative Council/Joint Budget Committee. |
| Facts about the Arkansas State Budget | None | No | No | 1,500 | Informational brochure for the public. |
| Biennial Budget Book | None | No | No | 400 | Contains detailed information regarding agency changes, funding and positions for each agency, as well as capital projects. |